

VZCZCXRO2809
RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV
DE RUEHBS #1233/01 1021356
ZNR UUUUU ZZH
R 121356Z APR 07 ZDK
FM AMEMBASSY BRUSSELS
TO RUEHC/SECSTATE WASHDC 5075
INFO RUCPDOG/USDOC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCNMEM/EU MEMBER STATES

UNCLAS SECTION 01 OF 03 BRUSSELS 001233

SIPDIS

SIPDIS

STATE FOR EB/OIA, EUR/ERA AND EUR/UBI
TREASURY FOR OASIA/ICN - ATUKORALA
USDOC FOR 4212/OECA/JLEVINE

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [EINT](#) [EINV](#) [SENV](#) [BE](#)

SUBJECT: BELGIAN STEWPOT: April 11, 2007

- 1-2. FedEx Best Employer in Belgium
- 3-4. Underground Economy Flourishing
- [¶5.](#) Wallonia Bites Climate Change Bullet
- [¶6.](#) English Ahead of National Languages
- [¶7.](#) A Belgian View of the Grand Canyon
- [¶8.](#) No More Lost Tourists?
- 9-10. Last Belgian Horsemeat Packers in US Close

FedEx Best Employer in Belgium

[¶1.](#) (U) American package delivery firm Federal Express was named "Best Employer" in Belgium for 2007 in March. FedEx's over 800 employees in Belgium lauded the company's attention to developing the talent of its workers. Employees also expressed appreciation for the company's ethnic diversity "over 30 different nationalities work in Belgium for FedEx. The human resources manager for FedEx says the firm does regular studies of employee satisfaction, and is constantly improving its management based on the feedback. In 2005 another U.S. firm in Belgium, J&J, received accolades when its Managing Director Ajit Shetty, was named Flander's Manager of the year.

[¶2.](#) (U) The annual Best Employer survey, conducted by Belgium's Vlerick/Leuven Management School, is based on employee survey responses, and is divided into those employers with over 500 employees and those with fewer than 500 employees working in Belgium. Among big firms, other U.S. companies in the top ten ranking were Dow Corning (5), Cisco Systems (6), Accenture (7) and McDonald's (9). Among small and medium firms, Microsoft, Amgen (pharmaceuticals), and Abbott (generic pharmaceuticals) were chosen among the top ten. Another "best employer" survey done by Randstad, a leading Belgian temp agency, ranked Belgium's J&J subsidiary as number one in three of the past seven years.

Underground Economy Flourishing

[¶3.](#) (U) A McKinsey study on the underground economies of EU countries says Belgium could have as much as 22 percent of economic activity "off the books." Recent OECD research, however, declares it may be as little as 3 percent. Using either method of calculation, Belgium ranks high

on the list: third on the basis of Eurostat data, fifth according to the OECD, somewhere among Greece, Italy, Spain and Portugal. The McKinsey report evaluates the revenue lost to the government from economic activity in the informal sector at 30 billion euros. (The GOB fiscal fraud campaign of 2006, by comparison, netted the government 817 million euros.) McKinsey says ?about a fifth of Belgians work, occasionally, partially, or fully in the informal sector.? An expert at Belgium?s Social Security office denied the high rate of informal sector activity was due to high taxes, arguing that Nordic countries have even higher tax rates but lower rates of informal sector activity. The expert attributes it to a mentality of citizens defending themselves from a "gluttonous" state that exceeds the level of intervention they consider legitimate. Changing this behavior, he says, will require a long-term effort. The Belgian federal government estimates only a 3-5 percent informal sector economy.

14. (U) Methodologies used in making estimates of the underground economy vary markedly. The Belgian National Bank, following Eurostat norms, compares declared national production to actual household consumption to calculate the difference. Alternatively, the macroeconomic circulation of money can be used to contrast the hours of work and production declared to the value of national consumption, the gap between them being made up by the "off-the-books" economy. The informal sector includes non-declared but legal work of citizens (off the

BRUSSELS 00001233 002 OF 003

books services and goods sold), the gray economy (corporate off-shore, unreported and fraudulent transactions), and the illegal economy (drugs, prostitution, etc.).

Wallonia Bites Climate Change Bullet

15. (U) In March the Walloon regional government decided on 82 new actions to help lower regional CO2 emissions and achieve Belgium?s 7.7 percent reduction from the 1990 baseline demanded by the Kyoto Protocol. Whereas previous measures were aimed chiefly at private sector industries, as easy to find point-source emitters, the new measures target mostly the public sector. They include using biodiesel in the TEC public transport bus system, extinguishing part of the highway lighting between 00:30 and 05:30 at night, and replacing traffic signal lamps with energy-saving halogen bulbs. All public buildings will be audited for their energy efficiency, and corrective steps will be taken depending on the findings. For long-term impact, the region will fund a research center to develop clean motor technology in Francochamps (ironically, also the site of Belgium?s ?Indy 500? racecourse, not a fuel-efficient sport) and will support a study on CO2 storage in the former coalmines of Hainaut province.

English Ranked Ahead of Belgian's Own Languages

16. A recent poll by Francophone Brussels daily Le Soir and Dutch-language daily De Standaard revealed surprising Belgian attitudes about languages. The poll asked, ?Is there another language that is more important than the other

national language?? Most respondents said ?yes?
? 77% of Flemish speakers and 87% of French
speakers in both Wallonia and Brussels responded
affirmatively, both saying that English was more
important than the Dutch or French spoken by
their co-citizens. German was a distant runner-
up, followed by Spanish and Chinese. The survey
also asked respondents to rate their skills in
the other official language. Dutch-speakers in
Flanders largely said they can get by in French
(77 percent), but in Wallonia only 39 percent of
respondents claimed they could manage in Dutch.
The Brussels region was a middle ground, as 61
percent said they felt their skills in their non-
primary language were either ?sufficient? or
?perfect.? Interestingly, 81 percent of
Francophone Belgians and 65 percent of Dutch-
speakers said they have regular contact with
members of the other linguistic community.
Respondents in Brussels had the most contact with
?the other half,? at 89 percent.

A Belgian View of the Grand Canyon

¶7. (U) The latest attraction at the Grand Canyon
in Arizona was "made in Belgium," but is not
chocolate. The new Skywalk Pier is a glass-
floored walkway of nearly 80 feet suspended 1200
meters (3,934 feet, three-quarters of a mile)
above the floor of the canyon. It was
constructed with glass produced by Saint Gobain
in Belgium, and Belgian engineer Frank Serruys
coordinated the construction. Its fans call it
the next best thing to skydiving. Persons with
vertigo are urged to take a different path...

No More Lost Tourists?

¶8. (U) Belgian-Dutch firm TeleAtlas is well
positioned to profit from the coming boom in
cellphones that integrate GPS functions. Almost
2 million such phones are already in use
worldwide, and another 25 million are expected to
be in circulation by 2010. TeleAtlas is charting
the world's cities in order to sell GPS services
to businesses and tourists. With a fleet of

BRUSSELS 00001233 003 OF 003

sophisticated camper-vans coursing cities and
highways, TeleAtlas is charting leading cities
and tourist sites, and will soon offer 3-D images
and locations to travelers. The company
currently employs 2300 persons, and has already
charted Brussels, Berlin, Paris, Barcelona,
Athens and other well-frequented European venues.
Since it was listed on the Euronext Amsterdam
exchange in 2006, TeleAtlas has raised 50 million
euros for corporate acquisitions to expand its
database. TeleAtlas plans to spend 10 million
euros in China to gain a database of 337 major
cities. The company already has sales exceeding
250 million euros per year, and recorded 80
percent growth last year. Its goal is 20,000
points of interest in 64 countries, covering 21.3
million kilometers of highway. Lost tourists may
become a thing of the past!

Last Belgian Horsemeat Packers In U.S. Close

9.(U) Belgian meatpackers Cavel in DeKalb,
Illinois, closed down on April 6, after a U.S.
court decided that the firm could no longer pay
U.S. Department of Agriculture directly for

inspection of their facilities and products. A year ago a U.S. court decided that no tax money could be used for inspection of horsemeat packing facilities; the new decision makes it impossible for the facility to remain in production and export its products. Cavel was the third and last of Belgian facilities in the United States that processed horsemeat for the European and Japanese market; fifteen such slaughterhouses existed ten years ago. The three Belgian facilities generated 60 million dollars in sales annually, and processed 2,000 animals per week.

¶10. (U) The closures come after a three year court battle by the Belgian companies against a well-funded animal rights campaign demanding humane treatment for America's 8 million horses. The Belgian investors claimed they faced an emotional and sentimental battle impossible to win, in light of America's attachment to the animal. Defenders of the packing plants noted they handled only wounded, old, and unable to work animals, bought at between \$600 to \$700 each. Ironically, inhumane treatment to horses may rise due to the closures, say Belgian investors, because now owners of such animals will have to pay up to \$1000 each to veterinarians to euthanize them. They expect a rise in horses being abandoned or left to starve.

IMBRIE